

AMENDED IN ASSEMBLY JUNE 18, 2003

AMENDED IN SENATE MAY 12, 2003

AMENDED IN SENATE APRIL 28, 2003

AMENDED IN SENATE APRIL 10, 2003

SENATE BILL

No. 663

**Introduced by Senator Speier
(Coauthor: Senator Bowen)**

February 21, 2003

An act to amend Section 3704.7 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 663, as amended, Speier. Taxation: property tax delinquency and sales.

Under existing property tax law, unpaid property taxes are declared delinquent and subject to penalties and costs, and, if the taxes remain unpaid, the property is declared tax-defaulted and subject to sale if not redeemed by the owner within a certain amount of time.

Existing law requires a tax collector, in the case of the proposed tax sale of property that is the primary residence of the last known assessee, to make a reasonable effort to contact, in person, the owner-occupant of the property to be sold, no more than 120 or less than 10 days prior to the date of the sale, and requires that the costs incurred by the tax collector in attempting to make contact, not to exceed \$100, be added to the required amount for redemption of the property.

This bill would, if the home is subject to a homeowner's exemption and the first attempt to contact the owner-occupant is unsuccessful,

require the tax collector to make an additional attempt to contact the owner-occupant in person or by telephone no less than 10 days prior to the date of sale. The bill would require the tax collector to remove the property from the sale if contact is not made after this additional attempt, and prohibit the property from being offered for sale until personal contact is made ~~or~~, the homeowner’s exemption is removed, *or a period of 4 years has elapsed since the removal of the property from sale, during which time the tax collector or the tax collector’s agent made at least 2 additional unsuccessful attempts at personal contact.* This bill would also increase the maximum amount of tax collector costs to \$200.

By imposing additional administrative duties on local tax officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3704.7 of the Revenue and Taxation
 2 Code is amended to read:
 3 3704.7. (a) In the case of a property that is the primary
 4 residence of the last known assessee, as indicated by either a valid
 5 homeowner’s exemption on file with the county assessor in the
 6 name of the last known assessee, or the fact that the mailing
 7 address for the last tax bill is the same address as the property, the
 8 tax collector or the tax collector’s agent shall, in addition to any
 9 other notice required by this chapter, make a reasonable effort to
 10 contact in person, not more than 120 days or less than 10 days prior
 11 to the date of sale, the owner-occupant of that property. In the



1 course of the personal contact, the tax collector, or the tax
2 collector's agent, shall inform the owner-occupant of the
3 following:

4 (1) That the property, if not redeemed, shall be offered for sale
5 at a public auction.

6 (2) The owner-occupant's redemption rights pursuant to Part 7
7 (commencing with Section 4101).

8 (b) Except as provided in subdivision (c), if the personal
9 contact described in subdivision (a) is not made after a reasonable
10 effort, the tax collector or the tax collector's agent shall attempt to
11 serve written notice, no less than five days prior to the date of the
12 sale, with respect to the fact of the sale and the requirement that the
13 tax collector be contacted immediately with respect to redemption
14 of the property.

15 (c) Notwithstanding subdivision (b), if, for a property that is
16 subject to the homeowner's exemption, the personal contact
17 described in subdivision (a) is not made after a reasonable effort,
18 the tax collector or the tax collector's agent shall make an
19 additional attempt to contact the owner-occupant of the property
20 in person or by telephone no less than 10 days prior to the date of
21 sale. If contact is not made after this additional attempt, the tax
22 collector shall remove the property from the sale. The property
23 ~~may not be offered for sale until the personal contact has been~~
24 ~~made, or until the homeowner's exemption is removed by the~~
25 ~~assessor on evidence provided by the tax collector. not be offered~~
26 ~~for sale until one or more of the following conditions has been met:~~

27 (1) *The tax collector or the tax collector's agent successfully*
28 *makes contact with the owner-occupant.*

29 (2) *The homeowner's exemption is removed by the assessor on*
30 *evidence provided by the tax collector.*

31 (3) *A period of four years has elapsed since the property was*
32 *removed from sale pursuant to this subdivision, and during that*
33 *period the tax collector or the tax collector's agent made at least*
34 *two additional attempts to personally contact the owner-occupant*
35 *of the property, but was unsuccessful.*

36 (d) The amount of the actual and reasonable costs incurred by
37 the tax collector, or the tax collector's agent, or both, in complying
38 with the requirements of subdivisions (a), (b), and (c), not to
39 exceed ~~one~~ *two* hundred dollars ~~(\$100)~~ *(\$200)*, shall be added to
40 the required amount for redemption of the property.



1 (e) No transfer of title shall be invalidated by reason of failure
2 to comply with the requirements of this section.

3 SEC. 2. Notwithstanding Section 17610 of the Government
4 Code, if the Commission on State Mandates determines that this
5 act contains costs mandated by the state, reimbursement to local
6 agencies and school districts for those costs shall be made pursuant
7 to Part 7 (commencing with Section 17500) of Division 4 of Title
8 2 of the Government Code. If the statewide cost of the claim for
9 reimbursement does not exceed one million dollars (\$1,000,000),
10 reimbursement shall be made from the State Mandates Claims
11 Fund.

